

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

TRANSMITTAL OF FINANCIAL REPORTS AND
CERTIFICATION OF COMPLIANCE WITH
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR

THE PERIOD ENDED: 2/28/25

In re:

Case Number: 24-31912-jda

COST LESS DISTRIBUTING, INC.,

Chapter 11

Debtor.

Hon. Joel D. Applebaum

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<input checked="" type="checkbox"/>	Operating Statement	(Form 2)
<input checked="" type="checkbox"/>	Balance Sheet	(Form 3)
<input checked="" type="checkbox"/>	Summary of Operations	(Form 4)
<input checked="" type="checkbox"/>	Monthly Cash Statement	(Form 5)
<input checked="" type="checkbox"/>	Statement of Compensation	(Form 6)
<input checked="" type="checkbox"/>	Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance, including workers' compensation and unemployment insurance, as described in Section 5 of the Operating Instructions and Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation) YES ☒ NO ☐
3. That all post-petition taxes as described in Sections 9 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current. (If not, attach a written explanation) YES ☒ NO ☐
4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) YES ☐ NO ☒
5. All United States Trustee Quarterly fees have been paid and are current. YES ☒ NO ☐
6. Have you filed your pre-petition tax returns. (If not, attach a written explanation) YES ☒ NO ☐

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct to the best of my information and belief.

Dated: 2/20/25


Debtor in Possession

V.P.

Title

Phone

810-625-9228

Form 1

OPERATING STATEMENT (P&L)
 Period Ending: 2/28/25
 Case No: 24-31912-jda

	Current Month	Total Since Filing
Total Revenue/Sales	\$536,063.61	\$2,345,125.27
Cost of Sales	\$322,929.32	\$1,363,956.75
GROSS PROFIT	\$213,134.29	\$981,169.52
EXPENSES:		
Officer Compensation	\$8,000.00	\$32,000.00
Salary Expenses other Employees	\$70,365.81	\$337,010.42
Employee Benefits & Pensions	\$8,581.18	\$19,826.36
Payroll Taxes	\$7,134.46	\$40,314.47
Other Taxes	0	\$1,575.96
Rent and Lease Expense	0	0
Interest Expense	0	0
Insurance	\$4,530.36	\$15,411.33
Automobile and Truck Expense	\$4,160.84	\$22,340.94
Utilities (gas, electric, phone)	\$2,881.40	\$20,479.51
Depreciation	0	0
Travel and Entertainment	\$536.87	\$3,177.66
Repairs and Maintenance	\$15,369.94	\$26,730.91
Advertising & Printing	\$15,081.30	\$44,519.31
Supplies, Office Expense, etc.	\$17,384.98	\$92,808.87
Other Specify <small>Bank Fees & Computer & Internet</small>	\$4,254.45	\$49,795.70
Other Specify <small>Shipping & Credit Card Fees</small>	\$33,948.05	\$163,769.73
TOTAL EXPENSES:	\$192,229.64	\$869,761.17
NET OPERATING PROFIT/(LOSS)	\$20,904.65	\$111,408.35
Add: Non-Operating Income:		
Interest Income		
Other Income		
Less: Non-Operating Expenses:		
Professional Fees		
Other	\$11.68	\$11.68
NET INCOME/(LOSS)	\$20,089.97	\$111,396.67

Form 2

BALANCE SHEET

Period Ending: 2/28/25

Case No: 24-31912-jda

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
ASSETS:			
Cash:	\$42,874.59	\$70,695.26	
Inventory:	\$393,770.00	\$431,097.00	
Accounts Receivables:	\$252,495.39	\$190,167.12	
Insider Receivables	0	0	
Land and Buildings:	\$800,000.00	\$800,000.00	
Furniture, Fixtures & Equip:	\$398,327.00	\$398,327.00	
Accumulated Depreciation:	(\$26,963.00)	(\$26,963.00)	
Other:			
Other:			
TOTAL ASSETS:	\$1,860,503.98	\$1,863,323.38	
LIABILITIES:			
Post-petition Liabilities:			
Accounts Payable:			
Rent and Lease Payable:			
Wages and Salaries:			
Taxes Payable:			
Other:			
TOTAL Post-petition Liabilities			
Secured Liabilities:	\$376,292.84	\$376,292.84	
Subject to Post-petition	\$1,164,016.86	\$1,164,016.86	
Collateral or Financing Order			
All Other Secured Liabilities			
TOTAL Secured Liabilities	\$1,540,309.70	\$1,540,309.70	
Pre-petition Liabilities:			
Taxes & Other Priority Liabilities	\$12,372.69	\$12,372.69	
Unsecured Liabilities:	\$1,243,547.23	\$1,243,547.23	
Other:			
TOTAL Pre-petition Liabilities	\$1,255,920.42	\$1,255,920.42	
Equity:			
Owners Capital:	\$1,000.00	\$1,000.00	
Retained Earnings-Pre Petition.	(\$934,726.14)	(\$931,906.74)	
Retained Earnings-Post Petition.			
TOTAL Equity:	\$1,860,503.98	\$1,863,323.38	
TOTAL LIABILITIES	\$3,730,956.26	\$3,728,136.86	
/AND EQUITY	(\$1,870,452.28)	(\$1,864,813.48)	

Form 3

SUMMARY OF OPERATIONS

Period Ended: 2/28/25

Case No: 24-31912-jda

Schedule of Post-Petition Taxes Payable

	<u>Beginning Balance</u>	<u>Accrued/ Withheld</u>	<u>Payments/Deposits</u>	<u>Ending Balance</u>
Income Taxes Withheld:				
Federal:	0	\$6,412.00	\$6,412.00	0
State:	\$2,982.60	\$2,698.56	\$2,982.60	\$2,698.56
Local:				
FICA Withheld:		\$4,213.13	\$4,213.13	0
Employers FICA:				
Unemployment Tax:				
Federal:	\$443.66	\$268.50	\$443.66	\$268.50
State:	\$2,244.69	\$1,667.53	\$2,244.69	\$1,667.53
Sales, Use & Excise Taxes:				
Property Taxes:	\$11,000.00			\$11,000.00
Workers' Compensation				
Other: Medicare				
TOTALS:				

AGING OF ACCOUNTS RECEIVABLE AND POST-PETITION ACCOUNTS PAYABLE

Age in Days Post Petition	0-30	30-60	Over 60
Accounts Payable			
Accounts Receivable	\$210,345.79	\$41,974.54	\$1,750.60

For all post-petition accounts payable over 30 days old, please attach a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

Form 4

MONTHLY CASH STATEMENT

Period Ending: 2/28/25

Cash Activity Analysis (Cash Basis Only):

Case No: 24-31912-jda

	<u>General Acct.</u>	<u>Payroll Acct.</u>	<u>Tax Acct.</u>	<u>Cash Coll. Acct.</u>	<u>Petty Cash Acct.</u>
A. Beginning Balance	<u>\$70,695.26</u>				
B. Receipts (Attach separate schedule)	<u>\$474,357.38</u>				
C. Balance Available (A + B)					
D. Less Disbursements (Attach separate schedule)	<u>\$501,864.05</u>				
E. ENDING BALANCE (C - D)	<u>\$42,874.59</u>				

ATTENTION: Please enter the TOTAL DISBURSEMENT from all your accounts, including cash and excluding transfers, onto the line below. This is the number that will determine your quarterly fee payment. \$ _____

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

General Account:

1. Depository Name & Location Huntington Bank - Court St Burton, MI
2. Account Number 01383421525

Payroll Account:

1. Depository Name & Location _____
2. Account Number _____

Tax Account:

1. Depository Name & Location _____
2. Account Number _____

Other monies on hand (specify type and location) i.e., CD's, bonds, etc.):

Date: 2/20/2025

Matthew J. Orndel
Debtor in Possession

Form 5

MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS

Period Ending: 1/31/25

Case No: 24-31912-jda

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. (Attach additional pages if necessary.)

Name: Matthew Ovadek

Capacity: X Shareholder
 Officer
 Director
 Insider

Detailed Description of Duties: General Manager

Current Compensation Paid:	Weekly	or	Monthly
	<u> </u>		<u>\$4,000.00</u>

Current Benefits Paid:	Weekly	or	Monthly
Health Insurance	<u> </u>		<u>\$1,146.50</u>
Life Insurance	<u> </u>		<u> </u>
Retirement	<u> </u>		<u> </u>
Company Vehicle	<u> </u>		<u> </u>
Entertainment	<u> </u>		<u> </u>
Travel	<u> </u>		<u> </u>
Other Benefits	<u> </u>		<u>\$37.50</u>
Total Benefits	<u> </u>		<u> </u>

Current Other Payments Paid:	Weekly	or	Monthly
Rent Paid	<u> </u>		<u> </u>
Loans	<u> </u>		<u> </u>
Other (Describe)	<u> </u>		<u> </u>
Other (Describe)	<u> </u>		<u> </u>
Other (Describe)	<u> </u>		<u> </u>
Total Other Payments	<u> </u>		<u> </u>

CURRENT TOTAL OF ALL PAYMENTS:	Weekly	or	Monthly
	<u> </u>		<u>\$5,184.00</u>

Dated: 2/20/25


Principal, Officer, Director, or Insider

MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS

Period Ending: 2-28-25

Case No: 24-31912-jda

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. (Attach additional pages if necessary.)

Name: Timothy Green Capacity: ☒ Shareholder
☒ Officer
☐ Director
☐ Insider

Detailed Description of Duties: Day to Day operations

Current Compensation Paid:	Weekly	or	Monthly
			<u>\$000.00</u>

Current Benefits Paid:	Weekly	or	Monthly
			<u>234.00</u>
Health Insurance			
Life Insurance			
Retirement			
Company Vehicle			
Entertainment			
Travel			
Other Benefits			<u>32.50</u>
Total Benefits			

Current Other Payments Paid:	Weekly	or	Monthly
Rent Paid			
Loans			
Other (Describe)			
Other (Describe)			
Other (Describe)			
Total Other Payments			

CURRENT TOTAL OF ALL PAYMENTS:	Weekly	or	Monthly
			<u>4272.30</u>

Dated: _____

Jimmy A. Shea
 Principal, Officer, Director, or Insider

Form 6

SCHEDULE OF IN-FORCE INSURANCE

Period Ending: 2/28/25

Case No: 24-31912-jda

[illegible]

Form 7